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Helen Sorensen - September 21, 2021

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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 MASTER DOCKET 18-MD-2865 (LAK)

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6 IN RE:
7 CUSTOMS AND TAX ADMINISTRATION OF
8 THE KINGDOM OF DENMARK
9 (SKATTEFORVALTNINGEN) TAX REFUND
10 SCHEME LITIGATION

11

12 *****
13 * CONFIDENTIAL *
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17 REMOTE VTC VIDEOTAPED DEPOSITION UNDER ORAL

18 EXAMINATION OF

19 HELEN SORENSEN

20 DATE: September 21, 2021

21

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25 REPORTED BY: CHARLENE FRIEDMAN, CCR, RPR, CRR

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1 H E L E N S O R E N S E N,
2 called as a witness, having been first duly
3 sworn according to law, testifies as follows:
4
5

6 EXAMINATION BY MR. SCHOENFELD:

7 Q Good morning, Ms. Sorensen.
8 My name is Alan Schoenfeld, and
9 I'll be asking you some questions today.
10 Could you state your full name, for
11 the record, please?

12 A My full name is Helen Sorensen.

13 Q All right. My next question was,
14 do you understand English --

15 A I do, yes.

16 Q Okay. Do you consider yourself
17 fluent in English?

18 A Yes, I do, yes.

19 Q Okay. And are you willing to
20 answer questions today in English without a
21 translator?

22 A Yes. I will -- I would like to use
23 a translator if there is a legal term or
24 something that I need to get defined
25 accurately.

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1 would give to the questions that were asked?

2 A No. Just how I should answer, the
3 manner I should answer them in.

4 Q What does that mean?

5 A Briefly, correctly, yeah, with the
6 details needed.

7 I might have covered a little bit
8 of the actual answers, but not in full
9 details.

10 Q What substance did you cover?

11 What -- what substance about the
12 issues in this case did you cover with
13 Kammeradvokaten and Hughes Hubbard?

14 A A settlement and -- what else,
15 information on inter-reporting with the tax
16 authorities, with that process in Denmark.

17 Q What did you discuss with them
18 about net settlement?

19 A How -- how it works in Denmark.

20 Do you need the details answered?

21 Q Sure. Any detail you can provide
22 would be great.

23 A Okay. Well, net settlement is used
24 in Denmark and also in the rest of the market
25 and specifically around Europe, as far as I

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1 know. In order to save cost on settlement,
2 it is used so that all of the participants in
3 the settlement process can net all of the
4 base settlement instructions into one large
5 bulk settlement instruction, in each ISIN
6 code representing civil underlying settlement
7 instructions and -- and on that basis,
8 settlement will occur once it has been
9 matched and settled.

10 Q Is net settlement required in
11 Denmark?

12 A No, not at all.

13 Q Is it encouraged?

14 A Not per se.

15 Q What do you mean "not per se"?

16 A VP Securities does not encourage
17 it.

18 Q Anything else you discussed with
19 Kammeradvokaten or Hughes Hubbard?

20 A Not as far as I remember.

21 Q I know you said you just returned
22 from maternity leave.

23 Are you currently employed?

24 A Yes.

25 Q And by whom are you employed?

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1 MR. SMITH: Objection to form.

2 A If there are -- let's see how I can
3 phrase that.

4 If you have your securities
5 registered in an account, it would not be
6 possible to pinpoint the exact shares that --
7 that you own. You would just own ten shares.

8 Q And how would I know that I own ten
9 shares?

10 MR. SMITH: Object to the form.

11 A If -- if a foreign investor uses a
12 broker to purchase any securities, that
13 broker would have an agreement with another
14 financial institution that would have a
15 securities account in VP Securities, and
16 those shares that the foreign investor
17 purchases will lay in the participants'
18 securities account in VP and will be mirrored
19 in the system outside of the custody chain
20 until it reaches the broker's system that
21 will show the investor is ultimately holding.

22 Q That would be a book entry with the
23 broker showing the investor his shareholding,
24 correct?

25 MR. SMITH: Objection to the form.

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1 buyer doesn't fund the purchase?

2 MR. SMITH: Object to form.

3 A To my knowledge, the funding does
4 not actually occur on the trade date.

5 Q And the transfer of the shares
6 doesn't also occur on the trade date,
7 correct?

8 MR. SMITH: Object to the form.

9 A The transfer of the shares does not
10 occur on trade date.

11 Q But on the trade date, there's a
12 book entry that's made that reflects the
13 trade, correct?

14 MR. SMITH: Object to form.

15 A On trade date -- this, of course,
16 is different within the brokers in the
17 market, so, therefore, I cannot say it's
18 generally.

19 But the actual book entry and the
20 legal book entry is -- only happens at
21 fine -- finality in the VP Securities.

22 Q Is any book entry made on the trade
23 date in Denmark?

24 A Not at VP Securities.

25 Q No, I understand not in

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1 anything about that if I have to answer from
2 VP's perspective.

3 Q I'm not asking you from VP's
4 perspective. I'm asking you from your
5 perspective.

6 So from -- from your perspective,
7 do you have an understanding of what happens
8 between an investor and a broker on the trade
9 date?

10 A Yes, I have personal experience of
11 investing.

12 Q Okay. And so, on the trade date,
13 you, as the investor, own the shares,
14 correct?

15 You're the one who purchased the
16 shares.

17 MR. SMITH: Object to the form.

18 A On the trade date I have made an
19 order, a trade order for a certain amount of
20 shares, and I expect that -- that I will
21 receive those shares once settlement has
22 occurred the days afterwards, two days, two
23 plus two.

24 Q So on the trade date, do you own
25 the shares?

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1 MR. SMITH: Object to the form.

2 A I -- it's the -- I know that I
3 don't own the shares on trade date.

4 Q How do you know that?

5 A Because I work at VP Securities,
6 and there's been no payment. I mean, there's
7 been no settlement.

8 Q What date matters as an investor
9 for purposes of claiming the right to a
10 dividend?

11 MR. SMITH: Object to the form.

12 A Can you just repeat the question?
13 Sorry.

14 Q Sure.

15 Which date, trade date or
16 settlement matters from the vantage point of
17 the investor, with respect to your
18 entitlement to a dividend?

19 MR. SMITH: Object to form.

20 A As an investor, I would need to own
21 the shares on record date in order to be able
22 to receive dividend.

23 Q So let's say an investor buys
24 shares at 10:00 in the morning and sells the
25 same shares at 2:00 in the afternoon, and

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1 registered with VP Securities?

2 Q Correct.

3 A Then the proper would not need to
4 send in settlement instructions.

5 Q Can you explain what it means to
6 net transactions?

7 A Yeah. Let me try.

8 During the day, a lot of purchase
9 and selling can happen in one ISIN code for
10 different investors.

11 And if all of the holdings are
12 registered in the same securities account,
13 then it's possible to the participant to net
14 all of the settlement instructions into one
15 settlement instruction, which is the sum
16 of the -- of -- of all of these.

17 So both the amount of securities
18 that needs to exchange hands, but also the
19 amount of liquidity that is needed is as low
20 as possible, but -- meaning that the
21 settlement instruction is based on the -- the
22 minimal amount of securities and cash needed.

23 Q Are you done?

24 A Yes.

25 Q Okay. And is that why financial